

# LYNCHBURG CITY COUNCIL

## Agenda Item Summary

MEETING DATE: **June 11, 2002**

AGENDA ITEM NO.: **6**

CONSENT: **X**

REGULAR:

CLOSED SESSION:

ACTION: **X**

INFORMATION:

(Confidential)

ITEM TITLE: **Renewal City Agreement with Lynchburg Neighborhood Development Foundation**

RECOMMENDATION: Approve the renewal of agreement with the Lynchburg Neighborhood Development Foundation (LNDF) on a fee for service basis and appropriate \$25,000 for services provided during FY 2002.

SUMMARY: In February 2000 City Council approved a one year agreement with the LNDF to provide services on a fee basis at a cost of \$25,000. This agreement was renewed for FY 2001 and LNDF is seeking renewal of the agreement for FY 2002 at the same cost as last year.

Funding was not included in the FY 2002 budget and it is necessary to appropriate \$25,000 from the General Fund Reserve for Contingencies. However, funding for FY 2003 has been included in the FY 2003 budget as a recurring budgetary allocation.

As requested by Council last year, criteria have been developed to use in evaluating LNDF's performance. A report on LNDF's performance over the last year, based on those criteria, is attached for your review.

PRIOR ACTION(S): June 4, 2002: Finance and Planning Commission

FISCAL IMPACT: Requires a \$25,000 appropriation from the FY 2002 General Fund Reserve for Contingencies

CONTACT(S): Kimball Payne      847-1443 ext. 223

ATTACHMENT(S): Copy of the FY 2002 Evaluation Report from the Lynchburg Neighborhood Development Foundation

REVIEWED BY:

Resolution

BE IT RESOLVED That \$25,000 is appropriated from the FY 2002 General Fund Reserve for Contingencies upon execution of a renewal agreement with the Lynchburg Neighborhood Foundation for provision of services outlined in its May 22, 2002, letter to the City; and

BE IT FURTHER RESOLVED That the City Manager is hereby authorized to extend the agreement on behalf of the City with the Neighborhood Development Foundation for these services.

Introduced:

Adopted:

Certified:

\_\_\_\_\_  
Clerk of Council

133L

# LYNCHBURG NEIGHBORHOOD DEVELOPMENT FOUNDATION

927 Church Street  
Lynchburg, VA 24504

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Phone (804) 846-6964  
Fax (804) 846-6966

Laura N. Dupuy  
Executive Director

May 22, 2002

L. Kimball Payne III  
City Manager  
PO Box 60  
Lynchburg, VA 24505

RE: City Contract with Lynchburg Neighborhood Development Foundation  
Evaluation Criteria

Dear Kim:

Enclosed for your review is an evaluation report on activities conducted by LNDF. I have included the criteria we discussed and have reported on work done and people served in the 2001-2002 fiscal year, as well as providing cumulative data since 1995.

Please let me know if you wish to discuss this further and when it would be timely to appear before the Finance and Planning Committee to request contract renewal. Thanks.

Sincerely,

Laura N. Dupuy

Enc.

Criteria: Funds generated/managed to support housing needs of low-income persons  
Number assisted in Lynchburg  
Number assisted outside of Lynchburg  
Number of units under management or occupied  
Relate LNDF activities to City Council Vision  
Other LNDF activities

1. Funds generated or managed by LNDF to support housing needs of low-income persons since 1995 is \$17,061,500. Funds brought to this effort in 2001-02 is \$2,887,700

2. Program Details: Dollars and persons assisted

**Mortgage Program)**

| Regional Loan Fund (blend of state dollars) |             | persons assisted |
|---|-------------|------------------|
| Cumulative:                                 | \$7,825,800 | 140              |
| 2001-2002:                                  | \$ 642,000  | 14               |

Affordable Housing Program (Federal Home Loan Bank of Atlanta)

|            |           |    |
|------------|-----------|----|
| Cumulative | \$529,000 | 89 |
| 2001-2002  | \$130,000 | 25 |

- AHP funds are shared with Habitats for Humanity in Lynchburg, Bedford, Amherst.
- Additional persons were assisted in credit repair and housing plans who did not complete the entire program.
- The majority of people assisted (approximately 60%) live in Lynchburg.

**Home Repair**

Federal Home Loan Bank AHP funds used in City and the surrounding counties to repair homes of owner-occupants with incomes below 65% AMI. LNDF shares these funds with Lynchburg Community Action Group, Christmas in April, and Central VA Area Agency on Aging. FHLBA requires that at least 20% of the project must be conducted in rural areas. LNDF blends City HOME funds into its projects in the City.

| Affordable Housing Program (AHP) |           | persons assisted |
|----------------------------------|-----------|------------------|
| Cumulative:                      | \$960,000 | 157              |
| 2001-2002:                       | \$258,000 | 43               |

| City HOME   |           | persons assisted |
|-------------|-----------|------------------|
| Cumulative: | \$381,000 | 98               |
| 2001-2002:  | \$ 44,000 | 33               |

**Lead Safe Lynchburg**

The City's grant program, managed by LNDF, is ending July 31, 2002. The goals of the program have been met and exceeded: 181 housing units will be addressed by grant completion. Outside funds brought to the City were \$2.3 million; \$105,000 in local funds were raised in cash match, and more than \$300,000 of in-kind match was contributed.

### **Housing for Homeless**

LNDF has been involved in several programs intended to provide a range of housing opportunities to homeless persons and families. More than \$1,000,000 in new dollars have been brought into the region for these programs. With these funds, approximately 14 new units will be developed and appropriate services will be delivered to residents. To date, all activities have taken place in Lynchburg but at least two units will be developed in Amherst County. The Housing and Homeless Coalition is working with county members to develop expanded services and seek funds in coming years.

| Supportive Housing Funds | Cumulative         | 2001-02   |
|--------------------------|--------------------|-----------|
| HUD                      | \$954,000          | \$320,700 |
| State match              | \$210,000          |           |
| AHP                      | \$ 46,000          |           |
|                          | <b>\$1,210,000</b> |           |

3. LNDF- owned and developed properties
 

|                          |  |
|--------------------------|--|
| Number of units managed: | 28 prospective with College Hill Homes<br>(management by CHPC) |
|                          | 10 prospective with Shelter Plus Care                          |
| Number units occupied    | 5 new homeowners through LNDF development                      |
|                          | 5 sites for new homeownership opportunities                    |
|                          | 38 multi-family rental units (end of 2002)                     |

LNDF has joined with a major non-profit housing developer, Community Housing Partners Corp., to attract more than \$2.5 million in low-income housing tax credits for the College Hill Homes project. LNDF and CHPC are pursuing additional equity in historic preservation tax credits. A follow-up project, Central City Homes, is in early pre-development stage.

4. Relationship of LNDF activities to City Council Vision: LNDF is most responsive to Council's focus on community development and economic development. LNDF contributes significantly to the following Council goal:
  - increase homeownership rates: through its affordable mortgage programs, LNDF has significantly increased the number of homeowners throughout the City with emphasis on development of new units in the downtown neighborhoods;
  - improved housing safety and housing conditions: LNDF has a long-standing commitment to lead hazard control and in furthering the healthy homes concepts.
  - Furthering economic development: LNDF was involved in preparing the proposal for the Economic Development Initiative grant that was awarded to the Bluff Walk Conference Center. In addition, LNDF's work with Riverviews and its development of the Lynchburg Neighborhood Investment Fund reflect activities that advance Council's goal for dynamic economic development. LNDF also makes it a practice to employ residents of the neighborhoods it serves when such opportunities arise. Examples of this are: using Tinbridge Hill Neighborhood Council to maintain and keep grounds of LNDF-owned properties; bonding and employing the three LNDF

neighborhood councils in College Hill, White Rock Hill, and Tinbridge Hill for pre-abatement activities necessary to prepare for construction intervention in the lead hazard control program; hiring neighborhood youth in the same neighborhoods to distribute flyers marketing LNDF programs and particular community events.

5. Other activities of LNDF:

LNDF engages in multiple projects with area non-profits and community groups and residents. In some cases, LNDF has been instrumental in securing funds through public and private sources for these organizations. Activities in which LNDF is a principle partner or participant:

Riverview  
Fifth Street CDC  
Lynchburg College - Community Outreach Partnership Centers (COPC)  
Christmas in April \* Lynchburg  
Housing Assistance Team (HAT)  
Lynchburg Neighborhood Investment Fund  
The Homeless and Housing Coalition  
Lynchburg Housing Partnership

A list of programs for 2001-2002 is attached with this report

# Lynchburg Neighborhood Development Foundation

## Goal 1: Resources into Region through LNDF

LNDF has directed more than \$16,000,000 to address the housing needs of low-income persons in the Central Virginia region over the past six years. Either alone, or as a primary participant in collaborative projects, LNDF has succeeded in improving the amount and types of resources available for low-income persons and increasing the capacity of existing organizations for that purpose.

### Sources for Mortgage Program and Other Homeowner assistance programs:

Single Family Regional Loan Fund: This is a state supported program to assist first-time homebuyers. LNDF has been Regional Administrator for Central Virginia since 1994

|                     |                    |
|---------------------|--------------------|
| Funds through SFRLF | <b>\$7,825,800</b> |
| SPARC               | <b>\$ 825,000</b>  |

Federal Home Loan Bank of Atlanta; Affordable Housing Program  
1996 – 2001 multiple applications

|               |                    |
|---------------|--------------------|
| <b>Total:</b> | <b>\$1,690,000</b> |
|---------------|--------------------|

Lynchburg Lead Initiatives (HUD via City)

|       |             |  |
|-------|-------------|--|
| HUD   | \$2,300,000 |  |
| Local | \$ 105,000  |  |

|              |                    |
|--------------|--------------------|
| <b>Total</b> | <b>\$2,405,000</b> |
|--------------|--------------------|

College Hill Homes

|       |             |  |
|-------|-------------|--|
| LIHTC | \$2,570,000 |  |
|-------|-------------|--|

|              |                    |
|--------------|--------------------|
| <b>Total</b> | <b>\$2,576,000</b> |
|--------------|--------------------|

### Other Related Projects; LNDF partnerships

Lynchburg College Community Outreach Partnership Centers

|             |           |  |
|-------------|-----------|--|
| J.B. Dupont | \$200,000 |  |
| HUD         | \$400,000 |  |

|               |                   |
|---------------|-------------------|
| <b>Total:</b> | <b>\$ 600,000</b> |
|---------------|-------------------|

Supportive Housing Funds

|             |           |  |
|-------------|-----------|--|
| HUD         | \$954,000 |  |
| Other/Local | \$210,000 |  |

|              |                    |
|--------------|--------------------|
| <b>Total</b> | <b>\$1,164,700</b> |
|--------------|--------------------|

EDI grant - Bluffwalk Ctr.

|     |           |  |
|-----|-----------|--|
| HUD | \$800,000 |  |
|-----|-----------|--|

|              |                   |
|--------------|-------------------|
| <b>Total</b> | <b>\$ 800,000</b> |
|--------------|-------------------|

**\$17,886,500**

\* \* \* \* \*

## Goal 2: Increasing the Capacity of Partner Non-profits

### Funds Distributed to Area Non-profits

LNDF incorporates the funding needs of our colleagues in the non-profit housing community when we seek funds. In this way, LNDF can show collaboration and production to potential funders and centralize the administrative activities to the benefit of our partner non-profits. The following funds have been directed to the following housing providers in the City and the region:

|                          | City HOME | AHP 96-01 | SHP/HUD   | Totals    |
|--------------------------|-----------|-----------|-----------|-----------|
| Lynchburg Habitat        | \$142,540 | \$155,000 |           | \$297,540 |
| LynCAG                   | \$ 4,830  | \$460,000 | \$230,000 | \$694,830 |
| Habitats Amherst/Bedford |           | \$40,000  |           | \$ 40,000 |
| Rush Lifetime Homes      |           |           | \$400,000 | \$400,000 |

|               |                    |
|---------------|--------------------|
| <b>TOTAL:</b> | <b>\$1,432,370</b> |
|---------------|--------------------|

## **Lynchburg Neighborhood Development Foundation Housing Programs**

### **I. Affordable Mortgage Program**

LNDF operates and manages several funds that are blended to make home purchase affordable to low-income persons who could not otherwise do so. The result is an increased homeownership rate, and improved and safer housing conditions for residents and homeowners in the Lynchburg and the surrounding region. The main mortgage program administered by LNDF is the Single Family Regional Loan Fund (SFRLF), a state-supported first-time-homebuyer program. The basic loan structure for these mortgages is: 1) a primary first mortgage at 4.50% interest, based on what the borrower can afford; 2) subordinate mortgage in the form of 0-interest, deferred payment loans, forgiven over time. Subsidies, in the form of soft mortgages, are applied as needed to make the purchase affordable. An additional \$825,000 in VHDA funds were secured for Lynchburg home purchases through the SPARC program.

Since 1995, LNDF has served hundreds of applicants and distributed more than **\$7 million to more than 140 new homebuyers** (*avg. cost per house \$60,000*)

### **II. Owner-Occupied Home Repair Projects**

LNDF maintains a small home repair program through which it assists low-income residents of Lynchburg whose homes are suffering from deterioration and damage. The program is limited to assisting owner-occupants, and requires some leveraged funds so as to distinguish it from other repair programs going on in Lynchburg (Weatherization, Emergency Home Repair, Indoor Plumbing and Rehab Program, etc.). This program supplements the work of our lead hazard control program by addressing collateral repairs on housing components that do not contain lead. We work in partnership with local community groups and Lynchburg Community Action Group (LynCAG) to serve homeowners in both urban and rural parts of the region. The result is more homeowners are receiving needed repairs to maintain their homes. A third round of these funds will begin in April.

|   |                  |                         |
|---|------------------|-------------------------|
| Units:                                    | LNDF (100 units) | LynCAG (77 units) = 177 |
| AHP& City HOME                            | \$1,235,000      |                         |
| <b><i>Avg. cost per house \$7,000</i></b> |                  |                         |

### **III. Lead Safe Lynchburg**

In 1997, the City of Lynchburg applied for and received \$2.3 million in funds from the U.S. Department of Housing and Urban Development (HUD) to address lead-hazards in 150 houses in the City, over a three year period. LNDF manages the City's lead-hazard control program with a team of 5 staff and several partner organizations, called Lead-Safe Lynchburg (LSL). Working with the Lynchburg Health Department, Lynchburg College, Lynchburg Community Action Group and others, LSL staff has identified three overriding goals for the program: Intervention, Education, and Sustainability. The downtown, inner-city census tracts comprise the target area in which LSL will operate; however, any house in the City in which a lead-poisoned child is identified, is eligible for assistance. As the proposed program is nearing its half-way mark, LSL reports the following statistic:

|  |            |
|--|------------|
| Completed Units (cleared to EPA standards)               | <b>150</b> |
| Units under contract                                     | <b>31</b>  |
| <b><i>Avg. cost of intervention per unit \$7,600</i></b> |            |

### **IV. Affordable Housing Development**

Since LNDF was established in 1993, there have been many changes in the scope and activity of the affordable housing providers. By 1995, Habitat was our biggest single-family housing producer and no one was developing affordable multi-family housing units. At that time, LNDF decided to become a developer, working primarily in very low-income neighborhoods of Lynchburg where property values are low and overall community revitalization is needed. We chose Tinbridge Hill in which to start with single-family development, and are now moving across Fifth Street into College Hill where construction has begun on a 28-unit, scatter-site rental rehabilitation project called College Hill Homes. To date we have built or renovated 7 homes that were also financed to first-time homebuyers through our affordable mortgage program.



|  |  | LNDF Program Matrix                |   |   |   |
|--|--|------------------------------------|---|---|---|
| Project                                    |  | Point Person                       |   | Summary   | Partners  |
| Regional Loan Fund<br><br>(RLF)            |  | <i>internal</i><br><i>external</i> | Denise<br>Jonette M-Pullen<br>Anna Hughes<br>Janice Burgess<br><br>VaDHCD<br>VaDHCD<br>VHDA | LNDF is the regional administrator of a statewide affordable mortgage program providing low-interest mortgages, downpayment and closing costs assistance to qualified low-income home buyers. Income must be at or below 60% of area median income. Funds provided by VHDA and VaDHCD. LNDF layers additional funds from City HOME and the Federal Home Loan Bank of Atlanta into most transactions to increase affordability.  | local lenders<br><br>Habitats                   |
| Home Repair<br><br>(HR)                    |  | <i>internal</i><br><i>external</i> | Tina<br>Nnamedi Ibejunjo<br>Diane Jack<br><br><i>Federal Home Loan Bank</i><br><i>AHP</i>   | Funded primarily by AHP and HOME programs for the purpose of rehabilitating homes owned by low, very low income individuals. Homes needing repair are prioritized by need and the potential overall impact that the repairs would make.   | Lyn-Cag<br>Christmas in April<br>CVPDC<br>CVAAA |
| Lead Safe Lynchburg<br>Jan-98<br><br>(LSL) |  | <i>internal</i><br><i>external</i> | Donetia/Laura<br>Michelle Carey<br><br><i>City of Lynchburg</i>                             | LSL is federally funded by HUD through the City of Lynchburg and is managed by LNDF. LSL collaborates with Lynchburg College and Centra health. The program carries out lead-hazard control and abatement, community education, lead hazard reduction training and health services. The program ends July 31, 2002. A renewal . grant is being prepared in which program management will shift to the City. LNDF will participate in community outreach and education and TA. | Centra Health Fndn<br>HUD<br>LC                 |
| Housing Development                        |  | <i>internal</i><br><i>external</i> | Laura<br>Al Maddox<br>private builders and lenders  | LNDF develops housing in primarily very low income neighborhoods with primary focus in Tinbridge, College, and White Rock Hills. LNDF acquires properties for construction or renovation, using multiple sources, selling the houses to low-income purchasers through its affordable mortgage program.  |   |
| Riverviews                                 |  | <i>internal</i><br><i>external</i> | Laura<br>Louis Gregory<br>Stuart Hershey<br><br>Riverviews<br>Urban Ventures                | Riverfront development project that will provideaffordable downtown housing and commercial space for artists, artisans, and arts-related businesses. LNDF is part of the development team put together by Urban Ventures, the consultant hired by Riverviews to develop and finance the project.  |   |
| CDFI<br>Feb-99                             |  | <i>internal</i><br><i>external</i> | Laura<br>Treasury CDFI Fund   | LNDF established the Lynchburg Neighborhood Investment Fund, a community development financial institution (CDFI), seeking certification from the Dept. of Treasury. LNDF will provide housing loans to low-income persons throughout Lynchburg with special focus on the downtown neighborhoods. CDFIs are supported by the Treasury if they can increase access to credit by low-income persons and achieve needed community development.                                   |   |
| Project                                    |  | Point Person                       |   | Summary   | Partners  |
| 5th Street Revitalization                  |  |                                    |   | This local initiative has a purpose to revitalize, preserve, and restore 5th Street   | City  |

|                                       |                           |   |   |  |   |
|---------------------------------------|---------------------------|---|---|--|---|
| Dec-00                                | <i>internal/external/</i> | Laura/Denise<br>Michelle Carey<br>Tom Martin    | City of Lynchburg   | as a vibrant commercial neighborhood. City funds have been directed to determine feasibility for this project. LNDF is an institutional partner assisting in the formation of the Community Development Corporation (CDC).   |   |
| Lynchburg Housing Partnership Project | <i>internal/external/</i> | Laura/Denise<br>Shannon Valentine               | coordinator   | Multiple local organizations have partnered to facilitate development and repair in 5 older, downtown neighborhoods. A pilot site in College Hill was chosen to initiate this collaborative approach. LNDF is the coordinating partner and serves as fiduciary.  | Christmas in April<br>LynCag<br>Habitat<br>CHPC<br>LSL<br>City<br>Lburg Housing Authority<br>Rush Lifetime Homes              |
| Christmas in April                    | <i>internal/external/</i> | Denise<br>Pete Warren<br>Shanda Rowe            |   | An all-volunteer organization dedicated to repair of homes of older and/or disabled homeowners. Over the past three years, 13 homes have been repaired with hundreds of volunteers and corporate sponsors. LNDF is an institutional partner and assisted in the formation of the group.  | CVAAA<br>LynCAG<br>LRHA<br>churches   |
| COPC                                  | <i>internal/external/</i> | Laura<br>Tom Seaman<br>Ed Polloway<br>Pat Price | Lynchburg College<br>Lynchburg College<br>Lynchburg College | Lynchburg College has received public and private funding to establish a Community Outreach Partnership Center that works directly in three downtown neighborhoods to increase capacity, form partnerships, and contribute to community revitalization. Housed at LC's Center for Community Development and Social Justice, COPC brings multiple resources into these neighborhoods. LNDF participated in the program design and is a consultant to the College on development and community issues.                                   | Tinbridge Hill Neighborhood Council<br>White Rock Hill Neighborhood Council<br>College Hill Neighborhood Council<br>LC        |
| Homeless and Housing Coalition        | <i>internal/external/</i> | Laura/Denise<br>Rhonda Whitaker                 | Miriam's House  | The Homeless and Housing Coalition is the custodian of the region's continuum of care, a required document and system of providing assistance to persons on their way from homelessness to permanent housing. The Coalition meets quarterly and is comprised of housing and transitional shelter providers throughout Central Virginia. LNDF serves on the Coalition Steering Committee, Public Information Committee, and Projects Committee. The Coalition is the mechanism that identifies and recommends projects for HUD funding. | Miriam's House<br>LynCag<br>Rush Lifetime Homes<br>Legal Aid<br>Lynchburg Housing Authority<br>regional shelters and agencies |

| Project                 | Point Person | Summary   | Partners          |
|-------------------------|--------------|---|-------------------|
| Housing Assistance Team |              | The Housing Assistance Team (HAT) is a coalition of service providers dedicated to assuring housing options for their mutual clients. | LynCag<br>Habitat |

|  |   |  |   |
|--|---|--|---|
| <div>(HAT)</div>   | <div> <div> <div>internal</div> <div>external</div> </div> <div> <div>Denise</div> <div>Melissa Yuille</div> </div> <div> <div>LynCag</div> </div> </div> | <div> <p>Hat offers counseling through case management to persons with chronic housing problems and helps them develop realistic plans to achieve and maintain permanent housing. Persons interest in homeownership are invited to participate in the Homebuyers' Club where they can meet monthly with others to save and attend workshops designed to assist them in successful homeownership. Workshop topics include financial planning, property care, selecting a home, credit repair, and savings. Members participate over several months with a goal of home purchase.</p> </div> | <div> <div>Miriam's House</div> <div>Legal Aid</div> <div>Alliance for Families</div> </div>  |
| <div>College Hill Homes</div>  | <div> <div> <div>internal</div> <div>external</div> </div> <div> <div>Laura</div> <div>Bob Adams</div> </div> <div> <div>CHPC</div> </div> </div>         | <div> <p>Over the past two years, 10 very large homes in College Hill have been converted into 28 affordable apartments, using the Low-Income Housing Tax Credit program as the primary source of financing and equity investment. LNDF has partnered with another non-profit, Community Housing Partners Corp. to acquire, finance and develop these properties. Additional sources include Federal Home Loan Bank of Atlanta, the City, and HUD.</p> </div>  | <div> <div>Community Housing Partner Corp.</div> </div>   |
| <div> <div>Downtown Cultural Consortium</div> <div>Jun-99</div> </div> | <div> <div> <div>internal</div> <div>external</div> </div> <div> <div>pending</div> </div> </div>   | <div> <p>Several downtown organizations have been collaborating to gain access to new financial resources, develop and coordinate artistic and cultural programs and preserve the cultural, aesthetic, and architectural history of downtown Lynchburg to new financial resources, develop and synthesize artistic and cultural programs. The desired outcome is to implement the Sasaki plan developed by the City in 2000.</p> </div>  | <div> <div>Dance Theatre of Lburg</div> <div>Amazement Square</div> <div>City</div> <div>Academy of Music</div> <div>Lynch's Landing</div> <div>Bluff Walk</div> <div>Riverviews</div> </div> |